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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/805,632	03/14/2001	Elaine Scott Mason	COS99039	3006

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EXAMINER

BORLINGHAUS, JASON M

ART UNIT	PAPER NUMBER
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3693

NOTIFICATION DATE	DELIVERY MODE
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03/17/2010

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No. 09/805,632	Applicant(s) MASON, ELAINE SCOTT	
	Examiner JASON M. BORLINGHAUS	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10/26/09.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-4,7-11,14-18,21-25,28-32 and 35-40 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-4,7-11,14-18,21-25,28-32 and 35-40 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1, 8, 15, 22, 29 and 36 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 claims “calculating ... a discount amount based upon the invoice amount; determining whether criteria for receiving the discount amount are satisfied ... wherein the criteria in the determining step include maintaining a zero outstanding charge by the customer.”

Based upon the Applicant's arguments of 10/26/09, it would appear that applicant's intentions are that the method determines whether a zero outstanding charge by the customer remains on the account. Then, should it be determined that there is a zero outstanding charge on an account, calculating a discount based upon the amount owed on the account (i.e. invoice amount).

Such an interpretation creates a problem. If there are zero outstanding charges on an account, how can there be an invoice amount for calculation of the discount? If there are zero outstanding charges, then the invoice amount should be zero. Does applicant intend to claim that discount eligibility is determined by whether there are any past due charges on an account, charges incurred during previous billing cycle but unsatisfied by the debtor?

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Examiner has proceeded under the assumption that maintenance of a zero outstanding charge as a criteria for discount eligibility is that the invoice amount is received in full, thereby maintaining a zero outstanding charge (i.e. no remaining unpaid charges on the invoice).

Appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-4, 7-11, 14-18, 21-25, 28-32 and 35-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen (US Patent 6,289,322) in view of Gafney (Gafney, Leo. *Practical Merchandising Math*. John Wiley & Sons. 1996, pp. 12 – 16 and 19 – 20).

Regarding Claim 1, Kitchen discloses a computer-implemented method for providing an on-line billing system (see abstract), the method comprising:

- retrieving, from a storage unit, customer invoice information (electronic billing statement) that includes an invoice due date (due date) and an invoice amount (amount due). (see fig. 11);
- calculating, in a processor, an amount (total amount) based on the invoice amount. (see fig. 11);
- displaying the invoice amount. (see fig. 11); and
- selectively receiving a payment input that authorizes a payment according to the invoice amount in advance of the invoice due date. (see fig. 11; col. 2, lines 1 – 5).

Kitchen does not teach a method comprising calculating a discount amount based upon the invoice amount; determining whether criteria for receiving the discount amount are satisfied for a corresponding customer; selectively applying the discount amount based upon the determining step; nor wherein the criteria in the determining step include maintaining a zero outstanding charge by the customer.

Gafney discloses a method comprising:

- calculating a discount amount (discounted amount) based upon the invoice amount. (see p. 12).
- determining whether criteria for receiving the discount amount are satisfied for a corresponding customer (payment before last day of discount). (see p. 14);

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- selectively applying the discount amount (2% discount) based upon the determining step(payment before last day of discount). (see p. 14); and
- wherein the criteria in the determining step include maintaining a zero outstanding charge (paying off invoice payment amount) by the customer. (see p. 12).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Kitchen by incorporating the ability to calculate discount amounts, as disclosed by Gafney, thereby accommodating standard and conventional aspects of billing practices in an on-line billing system.

Regarding Claims 2 – 3, Kitchen discloses a computer-implemented method comprising displaying an invoice due date (due date). (see fig. 11).

Kitchen does not teach a method wherein the discount amount is valid for a pre-defined time period; nor calculating an expiration date defining the pre-defined time period.

Gafney discloses a method wherein:

- the discount amount is valid for a pre-defined time period (within 10 days). (see p. 13); and
- calculating an expiration date (last day for discount is March 25) defining the pre-defined time period (within 10 days). (see p. 13).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Kitchen and Gafney by incorporating the ability to calculate early payment discounts, as disclosed by Gafney, thereby accommodating

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suppliers that “prefer to be to be paid as quickly as possible” (see p. 12) and encourage payors through early payment discounts.

Regarding Claim 4, Kitchen discloses a computer-implemented method comprising automatically applying the invoice amount based upon the payment input. (see col. 2, lines 1 - 5).

Kitchen does not teach a method wherein the discount amount is based upon a percentage of the invoice amount; calculating another discount amount based upon another percentage of the invoice amount; the another discount amount being associated with another expiration date; nor automatically applying either of the discount amounts based upon time of receipt of the payment input.

Gafney discloses a method wherein:

- the discount amount (discounted amount) is based upon a percentage (5%) of the invoice amount. (see p. 14);
- calculating another discount amount (discounted amount) based upon another percentage (4%) of the invoice amount. (see p. 14);
- the another discount amount (4% discounted amount) being associated with another expiration date (within 60 days). (see p. 14); and
- automatically applying either of the discount amounts based upon time of receipt of the payment input. (see pp. 13 – 15).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Kitchen and Gafney by incorporating the ability to calculate early payment discounts, as disclosed by Gafney, thereby accommodating

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suppliers that “prefer to be to be paid as quickly as possible” (see p. 12) and encourage payors through early payment discounts.

Regarding Claim 7, Kitchen discloses a method further comprising executing an electronic fund transfer in response to the step of selectively receiving the payment input (payment authorization). (see col. 2, lines 1 – 5).

Regarding Claims 8 – 11, 14-18, 21-25, 28-32 and 35-40, such claims recite substantially similar limitations as claimed in previously rejected claims and, therefore, would have been obvious based upon previously rejected claims or are otherwise disclosed by the prior art applied in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized.

Response to Arguments

Applicant's arguments filed 10/26/09 have been fully considered but they are not persuasive.

Applicant argues that the asserted prior art, specifically Gafney, neither teaches nor suggest “setting a criteria for determining whether a discount will be applied, other than an early payment being made, and that that criteria includes the customer maintaining a zero outstanding charge by the customer.”

Gafney states:

To encourage early payments for goods, suppliers offer a sliding scale of discounts. For example, with the discount terms 5/30/4/60, a discount of 5% may be deducted if payment is made within 30 days and a discount of 4% may be deducted if payment is made between 30 and 60 days from the date of invoice. (see p. 14).

Gafney discloses setting a criteria for determining whether a discount will be applied (discount of 5% if payment is made within 30 days).

Gafney also discloses determining whether a discount will be applied, determination being based upon the date of payment receipt. In other words, if the payment is not received by the indicated final date for the discount, the payor is ineligible for the discount.

Gafney also discloses that the criteria includes the customer maintaining a zero outstanding charge by the customer, as the customer must submit payment in order to obtain the discount. Examiner asserts that Gafney's statement that "a discount of 5% may be deducted if payment is made within 30 days" indicates full payment, rather than a partial payment. Full payment satisfying the amount owed would thereby satisfy the criteria of maintaining a zero outstanding charge on the account.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

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the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JASON M. BORLINGHAUS whose telephone number is (571)272-6924. The examiner can normally be reached on Monday - Friday; 9am - 5:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on (571)272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Jason M Borlinghaus/
Examiner, Art Unit 3693
March 14, 2010